

## PURCHASING AUTHORIZATION POLICY

### BOARD RESOLUTION NO. 06-001

Approved February 23, 2006

WHEREAS, good accounting principles, control of expenditures and forecasting requires an orderly and systematic way of authorizing the purchase of materials, supplies, and services and;

WHEREAS, the Purchasing Authorization policy is to increase the efficiency of the purchasing process while establishing workable standards and procedures that can be more rigorously monitored and enforced.

NOW THEREFORE, be it resolved by the Board of Public Works that all prior purchasing authorization policies are hereby rescinded and the following purchasing authorization policy is established:

1. No employee or Board Member shall charge personal expenditures to any Board account with the exception of items to be reimbursed to the Board under the Travel Policy.
2. Purchases in excess of \$2,500 are to be authorized before the fact by means of properly approved purchase orders.
3. Authorization:
  - a) Department Heads – are authorized to purchase materials and supplies chargeable to their operation up to \$2,500. Purchases in excess of this amount are to be requisitioned to the next higher authority.
  - b) Assistant General Manager — is authorized to execute purchase orders up to \$2,500. It is understood that in the event of the General Manager's absence due to vacation, disability, etc., he/she shall have the same authority as the General Manager.
  - c) General Manager — is authorized to execute purchase orders up the limits established by the State of Delaware, Office of Management and Budget, Purchasing and Contracting Advisory Council thresholds for Public Works provided that the materials, supplies or services are in the current adopted budget. The General Manager may approve change orders to contracts in force so long as the amount(s) does (do) not exceed 10% of the original contract amount. The General Manager's authorization limit is extended for specific purchases upon prior approval of the Board.

- d) Board of Public Works — unlimited authority. Board approval of purchases is delegated to the General Manager for execution of the order.
- 4. Board Procurement Cards – Authorization limits are as set in section 3 above. The General Manager shall utilize both internal management controls and management reports designed to ensure the purchasing cards are being used in accordance with Board policy established within this resolution.